



Montana Environmental Trust Group LLC,  
Trustee of the Montana Environmental Custodial Trust  
By Greenfield Environmental Trust Group, Inc., Member  
P.O. Box 1189 Helena, Montana 59624  
Telephone: (406)457-2142  
Email: [ir@g-etg.com](mailto:ir@g-etg.com)

September 16, 2016

**By Electronic Mail**

**For the State of Montana**

Jenny Chambers/Russ Rowsey  
Department of Environmental Quality

Harley Harris  
Montana Department of Justice

**For the United States**

Alan Tenenbaum/Elliot Rockler  
Environmental Enforcement Section Environment &  
Natural Resources Div. U. S. Department of Justice

Steve Moores  
Senior Attorney US EPA Region 8 (ENF-L)

Deb Thomas  
Deputy Regional Administrator  
US EPA Region 8—Montana Office

Dana Jacobsen  
Department of the Interior Office of the Solicitor

Amy L. Horner  
Department of the Interior Environmental  
Restoration Branch Division of Parks and Wildlife  
Office of the Solicitor

Robert Kirkpatrick  
Deputy Director, Engineering, Fleet, Geospatial  
Services & Sustainable Operations USDA Forest  
Service

**Subject: Second Quarter 2016 Financial Statements**

As Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Montana Environmental Trust Group LLC, hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account;
- (4) The Black Pine Cleanup Account; and
- (5) The Iron Mountain Cleanup Account

The attached financial statements cover the quarter and period ending June 30, 2016 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

Montana Environmental Trust Group, LLC  
Trustee of the Montana Environmental Custodial Trust  
By: Greenfield Environmental Trust Group, Inc., Member

A handwritten signature in blue ink that reads 'Jen Roberts, CPA'. The signature is written in a cursive, flowing style.

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Name: Jennifer Roberts  
Title: Financial Affairs Manager

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September 16, 2016

Second Quarter 2016 Financial Statements

Enclosure

cc: Betsy Burns—EPA-8  
Cynthia Brooks—Greenfield  
Joel Chavez - MDEQ  
Lauri Gorton—Greenfield  
Denise Martin - MDEQ  
Nathan McCarthy— Wipfli  
Melody McDonough - Greenfield  
Justin Mosness—Wipfli  
Daryl Reed - MDEQ  
Robert Roll - MDEQ  
Joe Vranka—EPA-8  
Marc Weinreich—Greenfield



Wipfli LLP  
P.O. Box 1699  
Helena, MT 59624  
910 North Last Chance Gulch  
Helena, MT 59601  
406.442.5520  
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## Accountant's Compilation Report

To the Trustees and Beneficiaries  
Montana Environmental Trust Group LLC  
Trustee for the Montana Environmental Custodial Trust  
Helena, MT

The Trustees are responsible for the accompanying financial statements of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Complex Cleanup Account, the Black Pine Cleanup Account and the Iron Mountain Cleanup Account (collectively the Custodial Trust), which comprise the statements of financial position—prescribed format basis as of June 30, 2016, and the related statements of activities—prescribed format basis for the quarter and year then ended and for determining that the prescribed format basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the prescribed format basis of accounting in accordance with the requirements of the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites), which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Custodial Trust's assets, liabilities, net assets, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

## Supplementary Information

The Black Pine Mine Custodial Trust Expense Tracking and East Helena Clean-Up Account 2015/2016 Construction Budget supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

*Wipfli LLP*

Wipfli LLP  
September 16, 2016  
Helena, MT

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2016*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 43,459.07
Due from other cost centers	8,050.78
Total current assets	<u>51,509.85</u>

Investments, Pershing Advisory Solutions

6,309,023.56

Total assets

\$ 6,360,533.41

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 39,550.15
Due to other cost centers	-
	<u>39,550.15</u>

Net assets

6,320,983.26

Total net assets and liabilities

\$ 6,360,533.41

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENTS OF ACTIVITIES

*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Investment income, net of fees	\$ 19,914.23	\$ 64,673.30			
Unrealized gains (losses)	6,429.26	42,088.49			
Sale of Assets	9,000.00	9,000.00			
Total revenues (losses)	35,343.49	115,761.79			
Expenses:					
1.A Financial Affairs					
1.A.1 Outside Financial Services	5,694.37	12,599.30	\$ 36,000.00	\$ (23,400.70)	35.00%
1.C Property Taxes					
1.C.1 East Helena	43,807.71	45,106.85	166,300.00	(121,193.15)	27.12%
1.C.2 UBMC-Mike Horse	1,687.39	1,687.39	3,500.00	(1,812.61)	48.21%
1.C.3 Black Pine	2,210.22	2,210.22	7,300.00	(5,089.78)	30.28%
1.C.4 Iron Mountain	133.12	133.12	400.00	(266.88)	33.28%
1.C Property Taxes Total	47,838.44	49,137.58	177,500.00	(128,362.42)	27.68%
1.F Site Security					
1.F.1 East Helena	12,475.50	14,826.00	52,900.00	(38,074.00)	28.03%
1.F.2 UBMC-Mike Horse	19.75	25,246.00	53,600.00	(28,354.00)	47.10%
1.F.3 Black Pine	4,529.91	9,879.46	21,000.00	(11,120.54)	47.05%
1.F.4 Iron Mountain	-	-	1,400.00	(1,400.00)	0.00%
1.F Site Security Total	17,025.16	49,951.46	128,900.00	(78,948.54)	38.75%
1.G Insurance					
1.G.1 Commercial General Liability	-	47,265.00	54,600.00	(7,335.00)	86.57%
1.G.2 Vehicle-Equipment Insurance	1,558.00	1,558.00	9,900.00	(8,342.00)	15.74%
1.G.3 Property Insurance	-	23,456.25	25,900.00	(2,443.75)	90.56%
1.G Insurance Total	1,558.00	72,279.25	90,400.00	(18,120.75)	79.95%

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENTS OF ACTIVITIES

*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	110.00	110.00	3,500.00	(3,390.00)	3.14%
1.H.2 Records Segregation Costs	-	-	1,400.00	(1,400.00)	0.00%
1.H.3 GETG Professional Fees	1,844.00	3,235.25	4,900.00	(1,664.75)	66.03%
1.H.4 Water Rights	475.00	645.00	3,200.00	(2,555.00)	20.16%
1.H Trust Legal Affairs Total	2,429.00	3,990.25	13,000.00	(9,009.75)	30.69%
1.I Unpatented Mining Claim Maint.					
1.I.1 Fees for Unpatented Mining Claims	-	-	54,900.00	(54,900.00)	0.00%
1.K Property Sales					
1.K.1 East Helena	19,300.41	31,376.91	40,900.00	(9,523.09)	76.72%
1.K.4 Iron Mountain	-	-	4,800.00	(4,800.00)	0.00%
1.K Property Sales Total	19,300.41	31,376.91	45,700.00	(14,323.09)	68.66%
1.L Trustee Costs					
1.L.1 Trustee Fees	5,714.50	13,122.75	34,100.00	(20,977.25)	38.48%
1.L.2 Trustee Expenses	-	137.43	2,500.00	(2,362.57)	5.50%
1.L Trustee Costs Total	5,714.50	13,260.18	36,600.00	(23,339.82)	36.23%
Total expenses	99,559.88	232,594.93	583,000.00	\$ (350,405.07)	39.90%
Change in net assets	(64,216.39)	(116,833.14)	\$ (583,000.00)		
Net assets, beginning of period	6,385,199.65	6,437,816.40			
Net assets, end of period	\$ 6,320,983.26	\$ 6,320,983.26			

**Montana Environmental Custodial Trust**

**East Helena Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2016*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 286,882.42
Accounts receivable	6,415.23
Due from other cost centers	-
Total current assets	<u>293,297.65</u>

Investments, Pershing Advisory Solutions

59,978,149.34

Total assets

\$ 60,271,446.99

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 4,758,954.85
Retention hold-back payable	618,945.75
Due to other cost centers	851.62
Total current liabilities	<u>5,378,752.22</u>

Net assets

54,892,694.77

Total net assets and liabilities

\$ 60,271,446.99

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
Revenues:					
Income					
Agricultural Tenants	\$ -	\$ -			
Sale of Assets	6,250.00	6,750.00			
Slag Pile	-	88,815.00			
Income Total	6,250.00	95,565.00			
Investment activity, net of fees	320,370.85	419,050.33			
Unrealized gains (losses)	7,235.53	733,638.21			
Total revenues (losses)	333,856.38	1,248,253.54			
Expenses:					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	15,803.99	30,706.89	\$ 166,300.00	\$ (135,593.11)	18.46%
Total 2.A · Water Treatment Plant	15,803.99	30,706.89	166,300.00	(135,593.11)	18.46%
2.B · General Site Operations					
2.B.1 · Operations & Maintenance	30,024.60	59,210.78	134,500.00	(75,289.22)	44.02%
2.B.2 · Office Operations	243.75	313.55	13,000.00	(12,686.45)	2.41%
2.B.3 · Safety	1,013.05	1,739.98	33,900.00	(32,160.02)	5.13%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Site Office	4,567.50	5,392.50	9,500.00	(4,107.50)	56.76%
Total 2.B · General Site Operations	35,848.90	66,656.81	210,900.00	(144,243.19)	31.61%
2.C · Waste Disposal					
2.C.1 · HDS	-	-	1,000.00	(1,000.00)	0.00%
2.C.2 · Contaminated Debris	-	-	6,000.00	(6,000.00)	0.00%
2.C.3 · Other	479.20	758.40	6,300.00	(5,541.60)	12.04%
Total 2.C · Waste Disposal	479.20	758.40	13,300.00	(12,541.60)	5.70%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%

See Accountant's Compilation Report



**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.E · Tenants					
2.E.4 · Other	-	-	5,700.00	(5,700.00)	0.00%
Total 2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	268.13	779.75	2,000.00	(1,220.25)	38.99%
2.F.5 · CAMU O&M	6,048.25	6,571.50	38,400.00	(31,828.50)	17.11%
2.F.7 · CAMU Leachate Treatment System	-	-	34,000.00	(34,000.00)	0.00%
Total 2.F · RCRA Compliance	6,316.38	7,351.25	76,400.00	(69,048.75)	9.62%
2.I · Risk Assessment					
2.I.1 · HHRA	-	-	25,000.00	(25,000.00)	0.00%
2.I.2 · BERA	-	-	25,000.00	(25,000.00)	0.00%
Total 2.I · Risk Assessment	-	-	50,000.00	(50,000.00)	0.00%
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	-	-	29,000.00	(29,000.00)	0.00%
2.J.1b · SPHC IM Construction	-	-	15,000.00	(15,000.00)	0.00%
2.J.1c · SPHC IM O & M	-	-	50,000.00	(50,000.00)	0.00%
2.J.1 · SPHC IM Design & Construction	-	-	94,000.00	(94,000.00)	0.00%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	-	-	26,750.00	(26,750.00)	0.00%
2.J.2b · ET Cover IM Construction	-	-	-	-	0.00%
2.J.2c · ET Cover System O & M	-	-	-	-	0.00%
2.J.2 · ET Cover IM Design & Construction	-	-	26,750.00	(26,750.00)	0.00%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	-	-	50,000.00	(50,000.00)	0.00%
2.J.3b · Source Removal Construction	-	-	-	-	0.00%
2.J.2c · Source Removal O & M	-	-	-	-	0.00%
2.J.3 · Source Removal Design & Construction	-	-	50,000.00	(50,000.00)	0.00%

See Accountant's Compilation Report

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
For the quarter and period ending June 30, 2016

	2nd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.J.4 · IM/RCRA Support					
2.J.4a · IM Work Plan(s)	-	9,925.72	31,500.00	(21,574.28)	31.51%
2.J.4b · Corrective Measures Study	179,625.33	281,121.77	1,339,700.00	(1,058,578.23)	20.98%
2.J.4d · Controlled Groundwater Area	52,244.75	68,999.05	628,000.00	(559,000.95)	10.99%
2.J.4g · Long-term Planning	1,238.48	2,551.11	21,000.00	(18,448.89)	12.15%
2.J.4h · Phase II RFI/Soil Characterization	56,131.20	65,064.39	172,300.00	(107,235.61)	37.76%
2.J.4j · Efforts to Avoid MBTA Non-Compliance	-	-	40,000.00	(40,000.00)	0.00%
2.J.4 · IM/RCRA Support	289,239.76	427,662.04	2,232,500.00	(1,804,837.96)	19.16%
2.J.5 · Design Management/Execution					
2.J.5a · Management/IM Development	61,225.58	127,998.84	340,000.00	(212,001.16)	37.65%
2.J.5b · Schedule	1,825.80	1,995.09	41,700.00	(39,704.91)	4.78%
2.J.5c · Financial Affairs and Reporting	5,912.03	14,578.95	57,800.00	(43,221.05)	25.22%
2.J.5d · Sub-contracting	939.06	2,353.43	21,600.00	(19,246.57)	10.90%
2.J.5f · Direct Expenses	3,574.24	5,617.76	26,000.00	(20,382.24)	21.61%
2.J.5h · Project Insurance Premium	-	88,538.64	89,000.00	(461.36)	99.48%
2.J.5j · IM Operations and Support	7,568.71	34,774.49	93,100.00	(58,325.51)	37.35%
2.J.5 · Design Management/Execution	81,045.42	275,857.20	669,200.00	(393,342.80)	41.22%
Total 2.J · RCRA Corrective Action Implementation	370,285.18	703,519.24	3,072,450.00	(2,368,930.76)	22.90%
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	21,300.00	(21,300.00)	0.00%
2.K.2 · System Maintenance	606.25	1,479.77	18,000.00	(16,520.23)	8.22%
Total 2.K · Documents & Records	606.25	1,479.77	39,300.00	(37,820.23)	3.77%
2.M · CERCLA Compliance	3,575.37	120,611.86	232,600.00	(111,988.14)	51.85%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	5,981.69	13,559.95	45,000.00	(31,440.05)	30.13%
Total 2.N · Financial Affairs	5,981.69	13,559.95	45,000.00	(31,440.05)	30.13%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	5,000.00	(5,000.00)	0.00%
2.O.2 · Redevelopment Support	-	-	5,000.00	(5,000.00)	0.00%
2.O.3 · Redevelopment Issues	-	-	5,000.00	(5,000.00)	0.00%
Total 2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%

See Accountant's Compilation Report

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
STATEMENTS OF ACTIVITIES  
*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.P · Community Relations					
2.P.1 · General Meetings	-	-	3,000.00	(3,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	1,477.31	3,000.00	(1,522.69)	49.24%
2.P.3 · East Helena Website	432.00	3,114.50	7,500.00	(4,385.50)	41.53%
2.P.5 · Other Community Relations	-	-	35,000.00	(35,000.00)	0.00%
Total 2.P · Community Relations	432.00	4,591.81	48,500.00	(43,908.19)	9.47%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	969.00	2,133.50	30,000.00	(27,866.50)	7.11%
2.R.2 · In-House Legal Services	8,912.25	20,552.00	82,100.00	(61,548.00)	25.03%
Total 2.R · Legal Support Total	9,881.25	22,685.50	112,100.00	(89,414.50)	20.24%
2.T · Trustee Management & Support					
2.T.4 · GW and PPC Project Management	11,968.69	28,779.20	81,900.00	(53,120.80)	35.14%
2.T.6 · Compliance Manager	4,060.00	8,876.98	56,100.00	(47,223.02)	15.82%
2.T.7 · Operations Manager	23,542.00	57,828.00	98,600.00	(40,772.00)	58.65%
2.T.8 · Operations Support Specialist	4,938.75	7,620.00	36,000.00	(28,380.00)	21.17%
2.T.9 · Project Controls/Fin Affairs Coordinator	12,611.00	28,504.25	153,900.00	(125,395.75)	18.52%
2.T.11 · Trustee Mgmt. EH Clean Up	33,624.75	81,027.00	379,400.00	(298,373.00)	21.36%
2.T.12 · Trustee Land Use & Re-use	413.00	3,894.00	49,100.00	(45,206.00)	7.93%
2.T.13 · Trustee Travel and Directs	1,033.63	6,420.24	35,000.00	(28,579.76)	18.34%
Total 2.T · Trustee Management & Support Total	92,191.82	222,949.67	890,000.00	(667,050.33)	25.05%
Total 2016 East Helena expenses	541,402.03	1,194,871.15	\$ 4,989,350.00	\$ (3,794,478.85)	23.95%
2015/2016 East Helena Construction expenses*	4,585,139.44	5,877,989.52			
Change in net assets	(4,792,685.09)	(5,824,607.13)			
Net assets, beginning of period	59,685,379.86	60,717,301.90 <sup>(1)</sup>			
Net assets, end of period	\$ 54,892,694.77	\$ 54,892,694.77			

\*2015/2016 (two-year) approved budget; see detail on page 10

**Montana Environmental Custodial Trust**  
**Summary East Helena Clean-up Account**

SUMMARY STATEMENTS OF ACTIVITIES

*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Rental/Lease Income	\$ 6,250.00	\$ 95,565.00			
Investment activity, net of fees	320,370.85	419,050.33			
Unrealized gains (losses)	7,235.53	733,638.21			
Total revenues (losses)	333,856.38	1,248,253.54			
Expenses:					
2.A · Water Treatment Plant	15,803.99	30,706.89	\$ 166,300.00	\$ (135,593.11)	18.46%
2.B · General Site Operations	35,848.90	66,656.81	210,900.00	(144,243.19)	31.61%
2.C · Waste Disposal	479.20	758.40	13,300.00	(12,541.60)	5.70%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%
2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance	6,316.38	7,351.25	76,400.00	(69,048.75)	9.62%
2.I · Risk Assessment	-	-	50,000.00	(50,000.00)	0.00%
2.J · RCRA Corrective Action Implementation	370,285.18	703,519.24	3,072,450.00	(2,368,930.76)	22.90%
2.K · Documents & Records	606.25	1,479.77	39,300.00	(37,820.23)	3.77%
2.M · CERCLA Compliance	3,575.37	120,611.86	232,600.00	(111,988.14)	51.85%
2.N · Financial Affairs	5,981.69	13,559.95	45,000.00	(31,440.05)	30.13%
2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%
2.P · Community Relations	432.00	4,591.81	48,500.00	(43,908.19)	9.47%
2.R · Legal Support	9,881.25	22,685.50	112,100.00	(89,414.50)	20.24%
2.T · Trustee Management & Staff	92,191.82	222,949.67	890,000.00	(667,050.33)	25.05%
Total 2016 East Helena expenses	541,402.03	1,194,871.15	<u>\$ 4,989,350.00</u>	<u>\$ (3,794,478.85)</u>	23.95%
2015/2016 East Helena Construction expenses*	4,585,139.44	5,877,989.52			
Change in net assets	(4,792,685.09)	(5,824,607.13)			
Net assets, beginning of period	59,685,379.86	60,717,301.90 <sup>(1)</sup>			
Net assets, end of period	<u>\$ 54,892,694.77</u>	<u>\$ 54,892,694.77</u>			

\*2015/2016 (two-year) approved budget; see detail on page 10

See Accountant's Compilation Report

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
**2015/2016 Construction Budget**

STATEMENTS OF ACTIVITIES

*For the quarter and 18 month period ending June 30, 2016*

	2nd QTR 2016	January 1, 2015 - June 30, 2016 YTD	Approved Budget	Variance	Percentage of Budget
2015/2016 Construction Expenses:					
2.F · RCRA Compliance					
2.F.7 · CAMU Leachate Treatment System	\$ -	\$ -	\$ -	\$ -	0.00%
Total 2.F · RCRA Compliance	-	-	-	-	0.00%
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1b · SPHC IM Construction	1,818,727.75	7,044,493.59	12,135,000.00	(5,090,506.41)	58.05%
2.J.1 · SPHC IM Design & Construction	1,818,727.75	7,044,493.59	12,135,000.00	(5,090,506.41)	58.05%
2.J.2 · ET Cover System IM					
2.J.2b · ET Cover IM Construction	1,995,500.17	6,193,705.85	8,000,000.00	(1,806,294.15)	77.42%
2.J.2 · ET Cover IM Design & Construction	1,995,500.17	6,193,705.85	8,000,000.00	(1,806,294.15)	77.42%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	-	23,895.65	50,000.00	(26,104.35)	47.79%
2.J.3b · Source Removal Construction	770,911.52	771,329.43	900,000.00	(128,670.57)	85.70%
2.J.3 · Source Removal Design & Construction	770,911.52	795,225.08	950,000.00	(154,774.92)	83.71%
2015/2016 East Helena Construction Expenses	<u>\$ 4,585,139.44</u>	<u>\$ 14,033,424.52</u>	<u>\$ 21,085,000.00</u>	<u>\$ (7,051,575.48)</u>	<u>66.56%</u>

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2016*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 396.13
Prepaid expenses - DEQ	34,194.44
Due from other cost centers	<u>-</u>
Total current assets	34,590.57

Investments, Pershing Advisory Solutions

5,496,760.06

Total assets

\$ 5,531,350.63

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 71,463.72
Due to other cost centers	<u>7,199.16</u>
Total current liabilities	78,662.88

Net assets

5,452,687.75

Total net assets and liabilities

\$ 5,531,350.63

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 45.07	\$ 55.44			
Investment income, net of fees	15,431.74	52,463.63			
Unrealized gains (losses)	5,136.28	39,275.83			
Total revenues (losses)	20,613.09	91,794.90			
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	5,508.17	9,880.01	\$ 27,469.00	\$ (17,588.99)	35.97%
4.DEQ Direct & Indirect Expenses	1,328.52	2,357.34	7,676.00	(5,318.66)	30.71%
4.1 Total MT DEQ Expenses	6,836.69	12,237.35	35,145.00	(22,907.65)	34.82%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	30,587.62	45,322.79	74,500.00	(29,177.21)	60.84%
WTP Supplies	2,664.24	30,251.27	46,100.00	(15,848.73)	65.62%
4.B Material, Supplies & Chemicals	33,251.86	75,574.06	120,600.00	(45,025.94)	62.67%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	14,271.50	30,910.00	72,500.00	(41,590.00)	42.63%
1-62102-02 GETG Trustee Oversight	7,242.25	10,651.75	20,000.00	(9,348.25)	53.26%
1-62102-22 WTP Technician/Operator	31,564.14	62,956.14	140,000.00	(77,043.86)	44.97%
1-62102-42 Hydrometrics Water Balance Study	883.89	1,240.89	2,000.00	(759.11)	62.04%
4.C Operating Labor	53,961.78	105,758.78	234,500.00	(128,741.22)	45.10%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	1,103.50	2,120.50	13,250.00	(11,129.50)	16.00%
1-62102-41 Storm Water Regulatory Compliance	-	-	1,500.00	(1,500.00)	0.00%
1-62102-204 Health & Safety Compliance	-	-	2,000.00	(2,000.00)	0.00%
1-62891 Handyman Charges	-	-	7,500.00	(7,500.00)	0.00%
1-62102-51 Wipfli Accounting	1,349.94	2,048.20	5,000.00	(2,951.80)	40.96%
1-62243 Weed Control	-	-	1,200.00	(1,200.00)	0.00%
4.D Other Professional Services/Labor	2,453.44	4,168.70	30,450.00	(26,281.30)	13.69%

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget	Variance	Percentage of Budget
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	4,307.00	7,881.00	11,000.00	(3,119.00)	71.65%
1-62106-02 Linda Tangen Data Validation (O&M)	284.85	850.87	3,500.00	(2,649.13)	24.31%
1-62106-03 Energy Lab Testing (Repositories)	-	-	2,500.00	(2,500.00)	0.00%
4.E WTP Operations - Analytical	4,591.85	8,731.87	17,000.00	(8,268.13)	51.36%
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	2,047.00	4,882.64	10,900.00	(6,017.36)	44.79%
1-62371 Telephone	939.05	2,016.64	6,200.00	(4,183.36)	32.53%
1-62601 Electricity	15,702.11	27,167.56	51,800.00	(24,632.44)	52.45%
1-62605 Water & Sewage	200.00	400.00	2,500.00	(2,100.00)	16.00%
1-62606 Garbage & Trash	270.30	660.60	1,800.00	(1,139.40)	36.70%
1-62607 Propane	-	-	16,300.00	(16,300.00)	0.00%
4.F WTP Operations - Utilities	19,158.46	35,127.44	89,500.00	(54,372.56)	39.25%
4.H Projects & Construction					
1-62102-01 Unforeseen Breakdowns and Repair Response Funds	-	16,780.00	20,000.00	(3,220.00)	83.90%
1-62102-52 UBMC Cell 7 Feasibility Study	8,000.00	8,000.00	10,000.00	(2,000.00)	80.00%
1-63113-03 Spare Parts	-	50,513.53	58,000.00	(7,486.47)	87.09%
1-63113-20 Finalize O&M Manual	-	-	-	-	0.00%
1-63113-31 Replace Bearings, Mechanical Seals & Laser Align CMF & CIP Pumps	2,002.18	2,002.18	5,700.00	(3,697.82)	35.13%
1-63113-32 Purchase replacement non-metallic Goulds CIP Pump	18,321.00	18,321.00	18,600.00	(279.00)	98.50%
1-63113-37 Upper Seep Expansion (Remediation Construction Cost Reimbursement)	-	-	-	-	0.00%
1-63113-38 Pretreatment Pond/Redundant Conveyance line Costs to Support CECRA Remediation	-	-	150,000.00	(150,000.00)	0.00%
1-63113-39 Cell 4 Reconstruction to Support MDEQ Construction	-	-	-	-	0.00%
1-63113-40 Remediation prep tasks	17,353.66	17,353.66	24,800.00	(7,446.34)	69.97%
1-63113-40 Trust Support for Remediation Activities	-	-	70,356.00	(70,356.00)	0.00%
1-62102-233 Building Repairs (Corrosion Damage)	-	-	-	-	0.00%
1-62102-44 Hydrometrics - Remediation Oversight (Upper Seep Expansion)	-	-	-	-	0.00%
1-62102-46 Hydrometrics - Remediation Oversight (MH Repository Removal)	-	-	-	-	0.00%

See Accountant's Compilation Report



**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and period ending June 30, 2016*

	2nd QTR	YTD	Approved Budget	Variance	Percentage of Budget
1-62102-45 Hydrometrics - Install Monitoring Well @ Carbonate Repository	-	-	-	-	0.00%
1-62102-47 Hydrometrics - Repair Two Monitoring Wells @ Carbonate Repository	-	-	1,000.00	(1,000.00)	0.00%
1-63113-304 - Mike Horse Remediation Support	2,686.00	4,384.50	9,480.00	(5,095.50)	46.25%
1-63113-43 - Fabricate Bucket Decon Area for 924 Loader	-	7,252.60	7,500.00	(247.40)	96.70%
1-63113-46 - Install PLC Remote I/O and Ether Net Cable in Reagent Control Cabinet	-	-	-	-	0.00%
1-63113-47 - Purchase Replacement 17.5X25 Tires for 924 Loader	-	-	-	-	0.00%
4.H Projects & Construction	48,362.84	124,607.47	375,436.00	(250,828.53)	33.19%
4.2 Total Other Expenses	161,780.23	353,968.32	867,486.00	(513,517.68)	40.80%
Total expenses	168,616.92	366,205.67	902,631.00	(536,425.33)	40.57%
Change in net assets	(148,003.83)	(274,410.77)	<u>\$ (902,631.00)</u>	<u>\$ 536,425.33</u>	<u>30.40%</u>
Net assets, beginning of period	5,600,691.58	5,727,098.52			
Net assets, end of period	<u>\$ 5,452,687.75</u>	<u>\$ 5,452,687.75</u>			

(1) 2015 net assets restated by \$975.00 for expenses incurred in 2015 but not received and recorded until after distribution of 4th quarter 2015 financial statements

# Montana Environmental Custodial Trust

## Black Pine Clean-up Account

### STATEMENT OF FINANCIAL POSITION

*As of June 30, 2016*

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#### ASSETS

##### Current assets

Cash, First Interstate Bank	\$ 20,501.02
Money Market	75,835.71
Prepaid expenses - DEQ	<u>1,761,008.52</u>
Total current assets	1,857,345.25

##### Investments, Pershing Advisory Solutions

<u>13,718,149.87</u>
<u><u>\$ 15,575,495.12</u></u>

##### Total assets

#### LIABILITIES AND NET ASSETS

##### Liabilities

Accounts payable	\$ 1,547.71
Due to other cost centers	<u>-</u>
Total current liabilities	1,547.71

##### Net assets

<u>15,573,947.41</u>
<u><u>\$ 15,575,495.12</u></u>

##### Total net assets and liabilities

**Montana Environmental Custodial Trust**  
**Black Pine Clean-up Account**  
STATEMENTS OF ACTIVITIES  
For the quarter and period ending June 30, 2016

	2nd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 3,205.64	\$ 3,407.99			
Interest Income - MM	22.48	45.11			
Investment income, net of fees	43,257.50	186,952.72			
Unrealized gains (losses)	23,081.84	117,979.84			
Total revenues (losses)	69,567.46	308,385.66			
Expenses:					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	-	39.50	\$ 1,000.00	\$ (960.50)	3.95%
2-2-02 Trustee Services/Expenses-GETG	375.75	1,539.00	5,000.00	(3,461.00)	30.78%
2-2-03 Mine Maintenance/Security	3,906.00	7,812.00	16,926.00	(9,114.00)	46.15%
2-2-04 Generator Maintenance	-	-	4,000.00	(4,000.00)	0.00%
2-2-51 Accounting Services	372.40	651.70	5,000.00	(4,348.30)	13.03%
2-62401 Mileage	548.91	984.45	2,350.60	(1,366.15)	41.88%
2-62405 Snowmobile	75.00	757.50	907.50	(150.00)	83.47%
5.1.1 Utilities					
2-62601 Electricity	3,208.01	3,854.53	6,500.00	(2,645.47)	59.30%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1 Utilities Total	3,208.01	3,854.53	9,340.00	(5,485.47)	41.27%
5.1 Trustee Costs Total	8,486.07	15,638.68	44,524.10	(28,885.42)	35.12%
5.2 DEQ Costs	309,059.39	449,699.29	(1) 6,828,248.89	(6,378,549.60)	6.59%
Total expenses	317,545.46	465,337.97	6,872,772.99	(6,407,435.02)	6.77%
Change in net assets	(247,978.00)	(156,952.31)	\$ (6,872,772.99)	\$ 6,407,435.02	2.28%
Net assets, beginning of period	15,821,925.41	15,730,899.72			
Net assets, end of period	\$ 15,573,947.41	\$ 15,573,947.41			

(1) See the supplemental schedule provided by the Montana Department of Environmental Quality for details of 5.2 DEQ Costs

	Personnel	Fringe	Travel	Equipment	Supplies	Contractual	Construction	Other	Total Direct	Indirect	Totals		Amount Funded/Revenue
<b>Budget Request 2016</b>	\$ 92,041.00	\$ 27,613.00	\$ 13,850.00	\$ 5,000.00		\$ 626,500.00	\$ 6,003,000.00	\$ 5,925.00	\$ 6,773,929.00	\$ 54,320.00	\$ 6,828,249.00		
Jan-Mar 2016	\$ 15,933.61	\$ 5,535.01	\$ 2,792.03	\$ -	\$ -	\$ 72,412.25	\$ 33,414.00	\$ 1,689.03	\$ 131,775.93	\$ 8,863.97	\$ 140,639.90		\$ 202.35
<b>Additional funding received March 2016</b>													\$ 2,000,000.00
Apr-Jun 2016	\$ 16,259.63	\$ 5,830.70	\$ 903.48	\$ -	\$ -	\$ 57,101.83	\$ 197,379.96	\$ 16,706.49	\$ 294,182.09	\$ 14,877.30	\$ 309,059.39		\$ 3,205.64
July-Sep 2016									\$ -		\$ -		
Oct-Dec 2016									\$ -		\$ -		
<b>Expenses 2016</b>	\$ 32,193.24	\$ 11,365.71	\$ 3,695.51	\$ -	\$ -	\$ 129,514.08	\$ 230,793.96	\$ 18,395.52	\$ 425,958.02	\$ 23,741.27	\$ 449,699.29		
<b>2016 Budget request balance remaining</b>	\$ 59,847.76	\$ 16,247.29	\$ 10,154.49	\$ 5,000.00	\$ -	\$ 496,985.92	\$ 5,772,206.04	\$ (12,470.52)	\$ 6,347,970.98	\$ 30,578.73	\$ 6,378,549.71		

**Montana Environmental Custodial Trust**  
**Iron Mountain Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2016*

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ASSETS

Current assets

Cash

\$ 1,516.52

Prepaid expenses - DEQ

1,751,978.44

Total current assets

1,753,494.96

Investments, Pershing Advisory Solutions

263,430.72

Total assets

\$ 2,016,925.68

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable

\$ 1,203.00

Net assets

2,015,722.68

Total net assets and liabilities

\$ 2,016,925.68

**Montana Environmental Custodial Trust**  
**Iron Mountain Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the period ending June 30, 2016*

	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:				
Interest Income - DEQ	\$ 978.44			
Investment income, net of fees	22,129.98			
Unrealized gains (losses)	5,239.43			
Total revenues (losses)	28,347.85			
Expenses:				
VI.A Clean-up Activities				
VI.A.1 GETG Trustee Fees	2,631.75	\$ 6,192.00	\$ (3,560.25)	42.50%
VI.A.2 GETG/Trustee Expenses	-	250.00	(250.00)	0.00%
VI.A Total Clean-up Activities	2,631.75	6,442.00	(3,810.25)	40.85%
VI.C Legal Affairs				
VI.C.1 Outside Counsel	-	2,000.00	(2,000.00)	0.00%
VI.C Total Legal Affairs	-	2,000.00	(2,000.00)	0.00%
VI.D Financial Affairs				
VI.D.1 Wipfli Fees & Expenses	-	1,800.00	(1,800.00)	0.00%
VI.D Total Financial Affairs	-	1,800.00	(1,800.00)	0.00%
Total expenses	2,631.75	10,242.00	(7,610.25)	25.70%
Change in net assets	25,716.10	\$ (10,242.00)	\$ 7,610.25	-251.08%
Net assets, beginning of period	1,990,006.58			
Net assets, end of period	\$ 2,015,722.68			